

# State of California

Franchise Tax Board-Legislative Services Bureau  
PO Box 1468  
Sacramento, CA 95812-1468

Telephone: (916)845-4326  
ATSS: 468-4326  
FAX: (916)845-5472

## Legislative Change No.

**00-22**

Bill Number: AB 2212

Author: Frusetta

Chapter Number: 00-577

Laws Affecting Franchise Tax Board:

Revenue and Taxation Code Sections 18701, 18702, 18703, and 18704 are added.

Date Filed with the Secretary of the State: September 23, 2000

## **SUBJECT: National World War II Veterans Memorial**

Assembly Bill 2212 (Frusetta), as enacted on September 23, 2000, made the following changes to California law:

Chapter 8.5 (commencing with Section 1350) of the Military and Veterans Code is added.

Under the Military and Veterans Code, this act establishes the National World War II Veterans Memorial Trust Fund. Upon appropriation by the Legislature, moneys in the trust fund shall be allocated to the American Battle Monuments Commission for construction and maintenance of the World War II Memorial in Washington, D.C.

### **Section 18701 of the Revenue and Taxation Code is added.**

Under the Administration of Franchise and Income Tax (AFITL), this act allows individual taxpayers to designate their own funds (not tax liability) for contribution to the National World War II Memorial Trust Fund on their tax returns in full dollar amounts of \$1 or more. The contributions may be made individually by each signatory on a joint return. The designations for any taxable year must be made on the initial return for the taxable year and, once made, are irrevocable.

This act requires the FTB to state in the accompanying tax information booklet that the contributions would be used for the World War II Memorial in Washington, D.C.

This act provides that a taxpayer's return be treated as if no designation has been made if payments and credits reported on the return, together with any other credits associated with the taxpayer's account, do not exceed the taxpayer's liability. If no designee is specified, a designated contribution amount would be transferred to the General Fund.

This act specifies that the National World War II Veterans Memorial Trust Fund cannot be added on the tax return until another voluntary contribution designation is removed from the return.

This act specifies that a deduction is allowed for the amount of any contribution made under this act.

Bureau Director

Johnnie Lou Rosas

Date

October 16, 2000

**Section 18702 of the Revenue and Taxation Code is added.**

Under the AFITL, this act requires the Controller to transfer from the Personal Income Tax Fund to the memorial fund the total amount designated for contribution by taxpayers to that fund, less the direct, actual costs of the FTB and the Controller for the collection and administration of the fund.

**Section 18703 of the Revenue and Taxation Code is added.**

Under the AFITL, this act specifies that this contribution designation creates an additional funding source for a specified purpose. These funds shall not be used in place of funds from other sources that are available for appropriation to the National World War II Veterans Memorial Trust Fund.

**Section 18704 of the Revenue and Taxation Code is added.**

Under the AFITL, this act specifies that the fund shall remain in effect for two years following the first appearance of the contribution designation on the tax return, unless a later enacted statute deletes or extends that date.

This act specifies that if, by September 1 of any calendar year, the fund fails to meet the \$250,000 minimum contribution test, the fund would be repealed for subsequent taxable years. Beginning in the second calendar year the fund appears on returns, the FTB would be required to adjust the \$250,000 minimum contribution amount for inflation.

This act is effective and operative beginning January 1, 2001.

This act will not require any reports by the department to the Legislature.